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“This office belongs to the citizens of the 35th district.”

State Senator Michelle A. McManus

Senate’s MBT Impact Assessment Subcommittee announces key findings

After listening to testimony from dozens of business owners and taxpayers across the state, the Senate MBT Impact Assessment Subcommittee recently announced its findings on ways to improve the state’s new Michigan Business Tax.

Subcommittee members heard from Michigan job providers about the effect of the MBT, which replaced the Single Business Tax last year.

Key findings of the subcommittee, announced at the Detroit Regional Chamber Mackinac Policy Conference on Mackinac Island, include:

- The “surcharge” continues to have a negative impact, especially on those unable to qualify for the small business credit and other deductions - mid-sized and large firms;
- There is a lack of adequate information and assistance from the Michigan Department of Treasury on complex tax-compliance issues;
- Many business owners are unaware they qualify for the small business credit; and
- Inclusion of taxes and fees in the MBT base is unreasonable and has a profoundly negative effect on Michigan-based businesses, most notably retailers.

Business owners of small and medium firms to representatives of large corporations shared firsthand experiences about the MBT’s unintended consequences and discussed ways to improve the tax and provide Michigan businesses with additional relief.

Senate Republicans have already acted to improve the MBT by introducing legislation to:

- Remove taxes, including sales taxes, from the MBT base;
- Ensure that casual transactions are not subject to the tax;
- Allow thousands more Michigan businesses to qualify for the Small Business Credit; and
- Exempt materials, supplies and payments to subcontractors from the tax (for builders and contractors).

Contact Me

My door is always open. Please do not hesitate to contact me regarding state issues. You can reach my Lansing office by phone at: 517-373-1725; toll free at 866-305-2135, or contact my Cadillac District Office at 231-775-8599. If you received this as a forwarded message and would like to receive future legislative updates via e-mail, you can sign up at my website: www.senatormichellemcmanus.com.